



Decision to exclude gambling companies

May 2019

Introduction

KLP and the KLP Funds (KLP) have decided to exclude 49 companies from their investment portfolios because they earn more than 5 per cent of their revenues from the provision of gambling services. During May 2018, KLP realised NOK 441 million through the sale of shares in these companies.

Background

With effect from May 2019, KLP's board of directors has decided to introduce a product-based criterion for the exclusion of companies involved in the gambling sector. This decision rests on the following factors:

- KLP does not wish to earn money from investments in betting games.
- Pension fund assets and savings can contribute to sustainable development and have a positive impact on society by being invested in other companies.
- Compulsive gambling has a negative effect on vulnerable groups in the population and its consequences lead to social harm and costs for KLP's customers and owners.

In addition, KLP aims to be a place for everyone – including those with stronger than usual preferences with regard to how their pensions are managed. In the process of evaluating whether to introduce new exclusion criteria, KLP has listened carefully to important stakeholders, our customers and owners.

Analysis

For many people, gambling can be a pleasant recreation and something they enjoy. Unfortunately, some people develop an addiction to gambling that can lead to serious problems. Often, these problems affect not only the compulsive gambler themselves, but also their families, and in particular their children. An analysis carried out by the University of Bergen showed that, overall, it is the traditionally weaker segments of society that constitute a high-risk group with respect to compulsive gambling and addiction to betting games.¹

¹ Extent of betting and gaming problems in Norway 2015, April 2016, https://lottstift.no/wp-content/uploads/2016/06/WEB-Rapport_befolkningsundersokelsen.pdf

Since the turn of the millennium, a large, unregulated market for foreign online betting games has emerged. These include online poker, bingo, casino games and lottery draws. Foreign betting companies are not allowed to offer or advertise these games in Norway, but it is not illegal for Norwegians to play the companies' games. In recent years, there has been a surge in the volume of adverts for foreign betting companies in Norway.²

Gambling and the advertising of betting games is strictly regulated in Norway. However, KLP has investments worldwide, and companies in many places do not have to abide by regulations that can mitigate gambling's negative aspects. It has also been known for many decades that gambling and casino operations are closely associated with a high risk of criminal activity, such as bribery and money laundering.³

On this basis, KLP has decided not to invest in companies that earn more than 5 per cent of their revenues from gambling.

Decision

KLP and the KLP Funds have decided to exclude 49 companies from their investment portfolios because they earn more than 5 per cent of their revenues from gambling.

Selskapsnavn	Inntekter fra pengespill
888 HOLDINGS	50-100%
BET-AT-HOME.COM	50-100%
BETSSON B	50-100%
BOYD GAMING CORP	50-100%
CAESARS ENTERTAINMENT	50-100%
CATENA MEDIA	50-100%
Cherry AB ser. B	50-100%
CHURCHILL DOWNS	50-100%
CROWN RESORTS	50-100%
ELDORADO RESORTS	50-100%
EMPEROR INTL HLDG	25-49.9%
EVOLUTION GAMING GROUP	50-100%
GALAXY ENTERTAINMENT GRP	50-100%
GAMING & LEISURE PPTYS	50-100%
GAMING INNOVATION GROUP	50-100%
GENTING MALAYSIA	25-49.9%
GENTING SINGAPORE	50-100%
GOLDEN ENTERTAINMENT	50-100%
GREAT CANADIAN GAMING CO	50-100%

² <https://lottstift.no/nb/pengespill/pengespill-pa-nett/>

³ <https://e24.no/boers-og-finans/oljefondet/korrupsjonsekspert-ut-mot-oljefondets-kasinoer/24279724>

GVC HOLDINGS	50-100%
JPJ GROUP	50-100%
KANGWON LAND	50-100%
Kindred Group plc	50-100%
LAS VEGAS SANDS CORP	50-100%
LeoVegas AB	50-100%
MACAU LEGEND DEVELOPMENT	50-100%
MELCO INTL DEVELOPMENT	50-100%
MELCO RSRTS & ENTMT ADR	50-100%
MGM CHINA HOLDINGS	50-100%
MGM GROWTH PROPERTIES A	50-100%
MGM RESORTS INTL	25-49.9%
MONARCH CASINO & RESORT	50-100%
OPAP	50-100%
PADDY POWER BETFAIR	50-100%
PENN NATIONAL GAMING	50-100%
PLAYTECH	50-100%
RED ROCK RESORTS A	50-100%
SANDS CHINA	50-100%
SJM HOLDINGS	50-100%
SKY CITY ENTERTAINMENT	50-100%
STAR ENTERTAINMENT GROUP	50-100%
STARS GROUP (THE)	50-100%
TABCORP HOLDINGS	50-100%
TOKYOTOKEIBA CO	50-100%
VICI PROPERTIES	25-49.9%
WILLIAM HILL	50-100%
WYNN MACAU	50-100%
WYNN RESORTS	50-100%
YOMIURI LAND CO	10-24.9%